



OPEN MEETING AGENDA ITEM

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The Solar Store
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AZ CORP COMMISSION
DOCKET CONTROL

October 8, 2011

Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007

RE: Docket NO. E-01933A-10-0266

Dear Commissioners:

Please accept my response to the TEP request for reallocation of the remaining 2011 REST funds. This includes a chance in my position regarding the lease differential for residential lease programs.

1. The Commission should recognize that the third party lease provides the residential consumer benefits previously only available to commercial consumers. These benefits include accelerated depreciation, 1603 grants and higher state tax credits (for those that pay Arizona taxes). The result is a lower cost for leased system than outright purchases. I recommend that residential lease options should be considered as commercial and fall within the commercial incentive programs.
2. The REST incentive for the remainder of the year should be \$1.25/watt. At this level the utility incentives in Southern Arizona would be consistent.
3. The reallocation as TEP suggested from the 2011 Commercial PBI to Residential UFI would provide a nominal amount of funds to continue to expand residential solar installations as well as maintaining the current installer base.

I plan to be in attendance at the hearing. Thank you for your efforts in this matter.

Sincerely,

Katharine J. Kent, PE, CEM
President

Arizona Corporation Commission

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